Catalunya Banc Acquisition

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Strategic rationale

- Acquisition of a cleaned-up institution, with a strong customer franchise at the turning point of the Spanish economic cycle
- Strengthened position in Catalonia, a very attractive market
- Limited and contained risks, with proven track record in execution
- Attractive returns with manageable capital impacts
Terms and conditions

- Total price consideration of €1,187Mn including:
  - €267Mn price adjustment contingent to the treatment of certain DTAs
  - Other guarantees: insurance agreement penalty, burden sharing, ...
- Closing subject to successful completion of the sale of the €6.4Bn mortgage portfolio to Blackstone

Main impacts

- Capital impact of 55 bps (self-funded), after equity adjustments (mostly related to expected losses)
- EPS accretive in year 2
- €300Mn average annual contribution to net attributable profit from 2018
- ROIC 15%
- Estimated cost synergies up to 40% of Catalunya Banc cost base
- Restructuring costs of €450Mn
- Total NPV of synergies > €1.2Bn

Low execution risk thanks to BBVA’s proven track record in integration processes
A mid-size franchise in an attractive region

<table>
<thead>
<tr>
<th><strong>Catalunya Banc</strong> (1)</th>
<th><strong>Branch network</strong> (July 2014)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Assets</strong></td>
<td>€ 63Bn</td>
</tr>
<tr>
<td><strong>Gross Loans</strong> (2)</td>
<td>€ 28.2Bn</td>
</tr>
<tr>
<td><strong>Customer deposits</strong></td>
<td>€ 25.6Bn</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>€ 2.5Bn</td>
</tr>
<tr>
<td><strong>NPLs</strong> (2)</td>
<td>13.9%</td>
</tr>
<tr>
<td><strong>Coverage</strong> (2)</td>
<td>88.4%</td>
</tr>
<tr>
<td><strong>Employees</strong></td>
<td>4,676 (3)</td>
</tr>
<tr>
<td><strong>Customers</strong></td>
<td>1.5Mn</td>
</tr>
</tbody>
</table>

- **Catalonia Region**
  - € 192Bn GDP (19% of Spanish GDP)
  - 16% of Spanish population
  - GDP per capita 1.2x national average
  - 25% of total Spanish exports

(1) Data as of Dec 2013
(2) Gross loans excludes the € 6.4Bn mortgage portfolio sale to Blackstone
(3) After the implementation of the existing redundancy plan (expected completion Dec 2014)
A thorough restructuring after capital injections and asset clean-up

1. FROB capital injection of €12.6Bn
2. Transfer of €16.5Bn RE exposure to the Sareb (2)
3. 390 branches closed (34%), reduction of 2,340 employees (3) (33%) since Dec 2012
4. Sale of €1.5Bn written-off loans
5. Sale of €6.4Bn residential mortgages
6. Foreclosed RE assets coverage: 51%

(1) Pro-forma data, December 2013 adjusted for the sale of the mortgage portfolio sold to Blackstone
(2) Transfer of €16.5Bn to Sareb: €9.1bn developer loans and €7.4bn RE assets
(3) After the implementation of the existing redundancy plan (expected completion Dec 2014)
Boosting market shares in Spain and Catalonia

Market share in Spain

- Customer: BBVA 14.4%, Catalunya Banc 11.8%
- Branches: BBVA 11.7%, Catalunya Banc 9.4%
- Gross Loans: BBVA 16.1%, Catalunya Banc 13.5%
- Customer Resources: BBVA 15.2%, Catalunya Banc 12.8%

Market share in Catalonia

- Customer: BBVA 26.1%, Catalunya Banc 27.2%
- Branches: BBVA 13.8%, Catalunya Banc 13.7%
- Gross Loans: BBVA 24.4%, Catalunya Banc 8.6%
- Customer Resources: BBVA 22.8%, Catalunya Banc 10.4%

#2 #2 #1 #1

An opportunity to gain 1.5 million customers

Customer market share according to FRS Inmark, Branch Market Shares (Dec 2013). Latest available branch market shares (company data and Bank of Spain).
Gross Loans and Customer Resources (deposits, mutual and pension funds) data from Bank of Spain information UME-1 and UME-2 as of December 2013, Catalunya Banc gross loans pro-forma after the sale of the mortgage portfolio to Blackstone.
Expected timetable

- **2H 2014**
  - Announcement / signing of the transaction
  - Regulatory approvals
  - Creation of a Steering Committee from signing to closing

- **1Q 2015**
  - Expected closing of the transaction

- **1H 2015**
  - Integration process

- **2H 2016**
Conclusions

- A bolt-on acquisition for BBVA with strong synergy potential, accretive in year 2 with attractive returns
- Limited risks: additional guarantees, conservative assumptions of expected loss for the credit portfolio and low execution risk
- Self-funded acquisition with manageable regulatory capital impacts
- BBVA gains 1.5 million customers at the turning point of the Spanish economic cycle

Significant shareholder value generation
Catalunya Banc Acquisition

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